

§210.3 Policy.

(a) It is the policy of the Department of Defense that an effective, comprehensive traffic safety program be established and maintained at all military installations as prescribed in DoD Directive 6055.4.¹

(b) State vehicular and pedestrian traffic laws that are now or may hereafter be in effect shall be expressly adopted and made applicable on military installations to the extent provided by this part. All persons on a military installation shall comply with the vehicular and pedestrian traffic laws of the state in which the installation is located.

(c) Pursuant to the authority established in the Enclosure 1 to DoD Directive 5525.4², installation commanders of all DoD installations in the United States and over which the United States has exclusive or concurrent legislative jurisdiction are delegated the authority to establish additional vehicular and pedestrian traffic rules and regulations for their installations. All persons on a military installation shall comply with locally established vehicular and pedestrian traffic rules and regulations.

(d) A person found guilty of violating, on a military installation, any state vehicular or pedestrian traffic law or local installation vehicular or pedestrian traffic rule or regulation made applicable to the installation under the provisions of this part is subject to a fine of not more than \$50 or imprisonment for not more than 30 days, or both, for each violation (40 U.S.C. 318c).

(e) A copy of this part shall be posted in an appropriate place on the DoD installation concerned.

[46 FR 58306, Dec. 1, 1981, as amended at 56 FR 13285, Apr. 1, 1991; 56 FR 42939, Aug. 30, 1991]

§210.4 Responsibilities.

(a) The Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) shall modify this part as appropriate.

(b) Secretaries of the Military Departments shall comply with this part.

²See footnote 1 to §210.1.

PART 211—DoD FOREIGN TAX RELIEF PROGRAM

Sec.

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AUTHORITY: 5 U.S.C. 301 and 10 U.S.C. 133.

SOURCE: 44 FR 50598, Aug. 29, 1979, unless otherwise noted.

§211.1 Reissuance and purpose.

This part (a) is reissued without substantive change, to correct superseded references; and (b) defines the tax relief policy of the Department of Defense, designates the organizational element which has continuing responsibility for the overall direction of the DoD Foreign Tax Relief Program, delineates the responsibilities of other organizational elements to implement and monitor the program, and requires the preparation and maintenance of specified foreign country tax law studies in order to facilitate the institution of statistical reporting procedures.

§211.2 Applicability and scope.

(a) The provisions of this part apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified Command, and the Defense Agencies (hereafter referred to as "DoD Components").

(b) The policy set forth in this part applies to:

(1) Military functions expenditures by the Department of Defense, and

(2) Expenditures by nonappropriated fund activities of the Department of Defense that are subject to taxes imposed by:

(i) Foreign countries in which U.S. military forces are regularly stationed (other than attache and other military personnel assigned to a U.S. diplomatic mission); and

(ii) Any other foreign country in which all or most U.S. defense activities, in a collective sense, are conducted in the interest of the common

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defense or otherwise significantly improve the military security of that country.

(c) The policy set forth in this part also applies to Military Assistance Program (MAP) expenditures in all countries.

§211.3 Definitions.

(a) Regardless of how a charge is denominated in foreign law or regulation, the words “tax” and “taxes” include all direct or indirect foreign customs duties, import and export taxes, excises, fees and other charges imposed at the national, local or intermediate level of a foreign country other than charges for services rendered or for other consideration received.

(b) For example, taxes include but are not limited to purchase tax, sales tax, use tax, gross receipts tax, stamp tax, transfer tax, transaction tax, turnover tax, value added tax, service tax, trade tax, business tax, license tax, transportation tax, circulation tax, luxury tax, possession tax, production tax, registration tax, consumption tax, gasoline tax, real property tax, personal property tax, and gross income tax.

(c) The word “relief” includes any method, technique, or procedure by which the ultimate economic burden of a tax on DoD funds may be avoided or otherwise remedied, such as exemption, refund, or drawback.

§211.4 Policy.

It is the policy of the Department of Defense to secure, to the maximum extent practicable, effective relief from all foreign taxes wherever the ultimate economic burden of those taxes would, in the absence of such relief, be borne by funds appropriated or allocated to the Department of Defense (including MAP appropriations) or under the control of its nonappropriated fund activities. In those cases in which the total economic burden of a tax not readily identifiable in the normal course of business is so small that it may be considered a *de minimis* matter, or in which the administrative burden of securing effective relief from a tax in a particular instance would be out of proportion to the amount of the relief ob-

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tained, tax relief shall be considered impracticable.

§211.5 Responsibilities.

(a) The *General Counsel of the Department of Defense* shall:

(1) Provide overall supervision and direction of the DoD Foreign Tax Relief Program.

(2) Resolve any significant issues relating to the program.

(3) Designate those countries that come within §211.2(b)(2)(ii) of this part.

(4) Direct the preparation of country tax law studies for countries not within the scope of §211.2(b) of this part.

(5) Designate the DoD member of the Inter-Agency Committee on Foreign Tax Relief, established by the Department of State.

(b) The *Assistant Secretary of Defense (International Security Affairs)* shall monitor the negotiation and conclusion of international agreements subject to the Secretary’s approval authority under DoD Instruction 2050.1 Delegated Approval Authority to Negotiate and Conclude International Agreements, July 6, 1977,¹ to ensure that such agreements are compatible with the policy set forth in this part and any implementing guidance concerning that policy issued by the General Counsel of the Department of Defense.

(c) The *Chairman, Defense Acquisition Regulatory Council*, shall coordinate with the General Counsel of the Department of Defense before the issuance, amendment, or revision of any portion of the Defense Acquisition Regulatory System (or regulation, directive, circular, or other publication within the scope of 32 CFR part 160 that pertains to the implementation of the DoD Foreign Tax Relief Program.

(d) The *Assistant Secretary of Defense (Comptroller)* shall perform such fiscal functions as may be required to implement the DoD Foreign Tax Relief Program, including advice and assistance in the institution of procedures for collecting data, compiling reports, and performing internal audits.

(e) The *Secretary of each of the Military Departments* and the *Director of each of the Defense Agencies* shall issue

¹See footnote 1 to §209.5(d).

instructions or regulations that charge a single office within the respective Military Department of Defense Agency (referred to as the "Cognizant Office") with continuing responsibility for supervising and monitoring the implementation of the DoD Foreign Tax Relief Program within such Department or Agency. Such instructions or regulations shall delegate to the Cognizant Office authority commensurate with its responsibility.

(f) *Commanders of Unified Commands*, as appropriate, shall promulgate management procedures to guide and coordinate the administration of the DoD Foreign Tax Relief Program throughout their respective area commands.

(g) For each foreign country that comes within the scope of subsection B.2. of this directive, a single Military Commander shall be designated by the Commander of the Unified Command. The designated Military Commander shall be the same designated under the procedures in 32 CFR 151.3(c). The designated Military Commander shall:

(1) Make and maintain a current country tax law study in accordance with §211.6 of this part.

(2) Be the single point of contact for U.S. contracting officers and activities for the investigation and resolution of specific matters that relate to the foreign tax relief program within the country for which the Military Commander is designated and for the forwarding of major problems affecting that program through proper channels to the General Counsel of the Department of Defense.

(3) Provide liaison with the responsible U.S. diplomatic mission on current tax relief problems and, where appropriate, with local foreign tax authorities.

§211.6 Country tax law studies.

(a) The taxes covered by each country tax law study shall be limited to those which in the absence of tax relief, would affect, or would appear to affect, U.S. Government expenditures, even as a *de minimis* matter. (All such taxes are hereafter referred to as "applicable taxes.") The formats of the studies for all countries shall be similar within each Unified Command insofar as practicable, and designed to fa-

cilitate statistical reporting procedures. The studies shall be prepared and maintained with a view to the practical utilization of the studies by U.S. contracting officers and activities for purposes of making reliable estimates of the total amount of taxes applicable to any particular contract and the amount thereof for which tax relief is available.

(b) Each country tax law study shall consist of the following:

(1) A general survey of all applicable taxes, together with translations, as appropriate, of the salient features of the law or regulations imposing those taxes.

(2) For each applicable tax, a summary statement containing: Its name; its rate (or rates); the taxing authority (national, provincial, or municipal); the legal incidence of the tax (the nature of the taxpayer or other entity liable for the payment of the tax to the taxing authority under the law of the country); its description (including the base or bases on which the tax is imposed); the applicability of the tax to various types of contracts (supplies, services, or construction) in the event the tax is applicable to only one or several of such types of contracts; the applicability of the tax to the prime contract, as well as to any subcontracts or purchase orders issued by the prime contractor or subcontractor; the applicability of the tax to contractor and subcontractor personnel; the variation, if any, of the applicability of the tax depending upon the domicile of the contractor or contractor personnel, such as United States, host country, or third country; any applicable exemptions or deductions of significance; and the method of collection of the tax.

(3) The basis upon which it is concluded that each applicable tax, in absence of tax relief, would affect, or would appear to affect, U.S. Government expenditures; and any evidence of the degree to which its ultimate economic burden would, in absence of tax relief, be borne by the U.S. Government rather than be absorbed by others.

(4) The substantive tax relief, if any, from each applicable tax that is available to the U.S. Government either by international agreements in force or

under the tax law or other regulation of the country; the procedures which may be used to obtain any such relief; the requirement, if any, for the issuance of a tax exemption certificate by the military procuring agency or by an agency of the country to secure an exemption; the entitlement, if any, of the taxpayer to interest on any tax refund made by the host country; the credits, if any, that may be available against any other taxes otherwise payable by the taxpayer resulting from the payment of the tax under analysis; the approximate amount of the tax that should be involved in a particular case, if such can be estimated, taking into account the costs of filing a claim for refund by a contractor to warrant filing such a claim; and a brief narration of any significant problems which have occurred in attempting to obtain relief in particular cases.

(5) A conclusion with regard to the adequacy of current tax relief measures; and such recommendations as may be appropriate for more efficient implementation of the policy set forth in this part.

(c) Appended to each country tax law study shall be a verbatim quotation of all provisions relating to tax relief afforded by the country that are contained in international agreements in force.

(d) One copy of each country tax law study shall be forwarded to the General Counsel of the Department of Defense and to each of the Cognizant Offices of the Military Departments and Defense Agencies within 30 days after its approval by the designated Military Commander. The information contained in the studies shall be disseminated by the Cognizant Offices to U.S. contracting officers and activities when required.

(e) Country tax law studies shall be subject to continuing review. When there is a significant change in country tax laws, regulations, tax relief procedures, or in pertinent international agreements in force, the corresponding revision shall be promptly forwarded by the designated Military Commander to each of the offices referred to in §211.6(d).

§211.7 Information requirements.

(a) The reporting requirement contained in §211.6 relating to the submission of country tax law studies and revisions thereof is assigned Report Control Symbol DDSD (AR) 1036.

(b) Each January a summary of significant activities during the preceding year in implementation of the DoD Foreign Tax Relief Program shall be furnished by the Heads of Cognizant Offices to the General Counsel of the Department of Defense. The summary, in narrative form, shall include actions taken by the Cognizant Office to discharge its responsibility for supervising and monitoring the implementation of the foreign tax relief program within its Military Department or Defense Agency, and for disseminating the information contained in country tax law studies to U.S. contracting officers and activities. The reporting requirement contained in this subsection is assigned Report Control Symbol DDGC (A) 1198.

(c) Each January a summary of significant activities during the preceding year of the administration of the foreign tax relief program shall be furnished by Commanders of the Unified Commands to the General Counsel of the Department of Defense. The summary, in narrative form, shall include actions taken by the Unified Command to discharge its responsibility to supervise and coordinate the preparation and maintenance of country tax law studies. The reporting requirement contained in this subsection is assigned Report Control Symbol DDGC (A) 1199.

PART 212—PRIVATE ORGANIZATIONS ON DoD INSTALLATIONS

Sec.

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AUTHORITY: 5 U.S.C. 301.

SOURCE: 63 FR 32616, June 15, 1998, unless otherwise noted.

§212.1 Reissuance and purpose.

This part: